

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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|   |   |                           |
|---|---|---------------------------|
| In re:                                      | ) | Chapter 11                |
|   | ) |                           |
| IEH AUTO PARTS HOLDING LLC, <i>et al.</i> , | ) | Case No. 23-90054 (CML)   |
|   | ) |                           |
| Debtors.                                    | ) | (Jointly Administered)    |
|   | ) |                           |
|   | ) | <b>Re: Docket No. 208</b> |

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**NOTICE OF ASSUMPTION AND ASSIGNMENT OF DESIGNATED CONTRACTS TO  
XL PARTS LLC – BACKUP BIDDER**

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On January 31, 2023 (the “Petition Date”), the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Court”).

On February 10, 2023, the Debtors filed a motion [Docket No. 96] (the “Bid Procedures Motion”) with the Court seeking entry of orders, among other things authorizing and approving (a) the sale of the Assets free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests except to the extent otherwise set forth in the purchase agreement executed by the Debtors and the Winning Bidder or Backup Bidder, (b) the assumption and assignment of Designated Contracts (if any), and (c) granting related relief.<sup>1</sup>

On March 10, 2023, the Court entered an order [Docket No. 208] (the “Bid Procedures Order”) approving, among other things, the Assumption and Assignment Procedures, which establish the process by which any executory contracts designated by the Winning Bidder or Backup Bidder shall be assumed and assigned to the Winning Bidder or Backup Bidder, as applicable. **All recipients of this notice should carefully read the Bid Procedures Order and the Assumption and Assignment Procedures in their entirety.**

On May 13, 2023, the Debtors filed with the Court the Notice of Winning Bids at Docket No. 514 (the “Notice of Winning Bids”). The Notice of Winning Bids is attached as **Schedule 1** and discloses the Winning Bid and Backup Bid for the lots as listed. The Notice of Winning Bids, includes a Proposed Assumed Leases List and/or Proposed Assumed Executory Contracts List<sup>2</sup> for each lot, as applicable. The inclusion of a lease or contract shall not (a) obligate the Debtors to assume or assign such lease or contract or (b) constitute any admission or agreement by the Debtors that such lease or contract is an executory contract. Only those leases or contracts that are included

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<sup>1</sup> Capitalized terms used but not defined have the meanings ascribed to them in the Bid Procedures Motion.

<sup>2</sup> As those terms are used in the Notice of Winning Bids.

on a schedule of assumed and acquired leases or contracts attached to definitive documentation in the Sale that is approved by the Sale Order will be assumed and assigned.

Copies of the Bid Procedures, Bid Procedures Motion, the Bid Procedures Order, the Notice of Winning Bid, and all other documents filed with the Court, are available free of charge on the Debtors' case information website, located at <https://kccllc.net/autoplus>.

### **Potential Assignment of Designated Contracts to the Backup Bidder**

You are receiving this notice (the "Assignment Notice") because you are a counterparty to the executory contract(s) listed on **Schedule 2**, which the Debtors are proposing to assume and assign to the Backup Bidder, XL Parts LLC, in connection with the Sale (the "Designated Contracts") in the event the Winning Bidder does not consummate the proposed Sale.

#### **A. Cure Amounts**

Section 365(b)(1) of the Bankruptcy Code requires a debtor to cure, or provide adequate assurance that it will promptly cure, any defaults under executory contracts and unexpired leases at the time of assumption.

In accordance with the assumption and assignment procedures authorized by the Court pursuant to the Bid Procedures Order (the "Assumption and Assignment Procedures"), on April 11, 2023 [Docket No. 361] the Debtors filed with the Court an initial cure notice (the "Initial Cure Notice"). The deadline to object to the Initial Cure Notice was April 25, 2023 at 5:00 P.M. prevailing Central Time (the "Initial Cure Notice Objection Deadline"). On May 2, 2023 [Docket No. 475], the Debtors filed with the Court a first supplemental cure notice (the "First Supplemental Cure Notice"). The deadline to object to the First Supplemental Cure Notice is May 16, 2023 at 5:00 P.M. prevailing Central Time (the "First Supplemental Cure Notice Objection Deadline" and together with the Initial Cure Notice Objection Deadline, the "Cure Objection Deadlines"). The Debtors served upon the non-Debtor counterparties to the Designated Contracts, one or more notices (each, a "Cure Notice") setting forth that such executory contract or unexpired lease may be assumed or assigned to the Purchaser and the applicable cure amount the Debtors believe is necessary to satisfy to assume such executory contract or unexpired lease in accordance with section 365 of the Bankruptcy Code.

**Schedule 2** sets forth the cure amount (if any) of Designated Contracts according to the Debtors' records that is required pursuant to section 365(a) of the Bankruptcy Code. Except as to those cure amounts related to the First Supplemental Cure Notice as the First Supplemental Cure Notice Objection Deadline has not expired, the cure amounts set forth in **Schedule 2** shall be controlling as of the date of this Assignment Notice; the non-debtor party to each unexpired lease set forth on **Schedule 2** stipulated that the Cure Amount set forth in this Assignment Notice is correct in accordance with the Assignment and Assumption Procedures; the non-debtor party shall be forever barred, estopped and enjoined from asserting or claiming that any additional amounts are due or other defaults exist. For the avoidance of doubt, the cure amounts set forth in **Schedule 2** are not controlling where there are outstanding objections.

#### **B. Adequate Assurance of Future Performance**

Section 365(a) of the Bankruptcy Code conditions assignment on the Winning Bidder or Backup Bidder providing “adequate assurance of future performance.” Counterparties to Designated Contracts may request adequate assurance of future performance by the Winning Bidder or Backup Bidder by contacting counsel to the Debtors, Jackson Walker LLP ([SaleJW-AutoPlus@jw.com](mailto:SaleJW-AutoPlus@jw.com)) and The Law Office of Liz Freeman ([liz@lizfreemanlaw.com](mailto:liz@lizfreemanlaw.com)). Such adequate assurance may be provided on a confidential basis for all nonpublic information. **If you object to assumption and assignment of your Designated Contract based solely on the adequate assurance of future performance, you must object in accordance with the procedures described in this notice by no later than the objection deadline set forth below under the heading “Important Dates and Deadlines.”**

To the maximum extent permitted by law, to the extent any provision in any Designated Contract assumed and assigned pursuant to the Sale Order restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Designated Contract (including any “change in control” provision), then such provision shall be deemed modified such that the transactions contemplated by the Sale Order and any definitive documentation for the Sale shall not entitle the non-Debtor party to terminate such Designated Contract or to exercise any other default-related rights with respect, unless such non-Debtor party properly and timely files an objection and such objection is not overruled, withdrawn or otherwise resolved.

### **Important Dates and Deadlines**<sup>3</sup>

The Bid Procedures Order and Assumption and Assignment Procedures include a number of dates and deadlines, only a few of which are highlighted here:

- **Deadline to Object to the Sale.** Objections to the Sale (except with respect to the assumption and assignment of any Designated Contract or adequate assurance of future performance by the Winning Bidder or Backup Bidder of any of the Designated Contracts) must be filed with the Court by **May 17, 2023, at 5:00 p.m.** (prevailing Central Time) and otherwise meet the requirements set forth in the Bid Procedures Order.
- **Deadline to Object to Adequate Assurance of Future Performance of Payment.** Any objection to the assumption and assignment of a Designated Contract on **Schedule 2**, including objections to adequate assurance of future performance, **must:** (a) be in writing; (b) comply with the Bankruptcy Code, Bankruptcy Rules, the Bankruptcy Local Rules, and any orders of the Court; (c) state the name and address of the objecting party and identify the Designated Contract at issue; (d) state, with particularity, the basis and nature of any objection to the assumption and assignment, cure amount, and/or adequate assurance of future performance; and (e) be filed with the Court with proof of service thereof so as to be actually received on or before **5:00 p.m. (prevailing Central Time) on May 18, 2023.**

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<sup>3</sup> The following dates and deadlines may be extended by the Debtors (with the consent of the DIP Lender) by filing a notice with the Court, pursuant to the Bid Procedures.

- **Sale Hearing.** A hearing to consider approval of the proposed Sale (including assignment of Designated Contracts) will be held before the Court on **May 19, 2023**, at **10:00 a.m.** (prevailing Central Time) at 515 Rusk Street Courtroom 401, Houston, Texas 77002. Participation in the hearing may be in person or by an audio and video connection, as set forth in the Bid Procedures Motion.

**Consequences of Failing to Timely Assert an Objection**

Except as otherwise ordered by the Court, any party or entity that fails to timely make an objection to the Sale on or before the objection deadline in accordance with the Bid Procedures Order and this Assignment Notice shall be forever barred from asserting any objection to the Sale, including with respect to (a) the transfer of the assets free and clear of all liens, claims, encumbrances, and other interests and (b) the assumption and assignment of a Designated Contract, proposed cure amount, or adequate assurance of future performance. Any counterparty to a Designated Contract that fails to object to the proposed assumption and assignment by the objection deadline will be deemed to assent to the assumption of the Designated Contract on the terms defined in this Notice.

**Assumption and assignment of any Designated Contract shall result in the full release and satisfaction of any cures, claims, or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or any bankruptcy-related defaults, arising at any time prior to the effective date of assumption. Any and all proofs of claim based upon executory contracts or unexpired leases that have been assumed in the chapter 11 cases, including pursuant to the Sale Order, shall be deemed disallowed and expunged as of the later of (1) the date of entry of an order of the Court (including the Sale Order) approving such assumption and (2) the effective date of such assumption without the need for any objection or any further notice to or action, order, or approval of the Court.**

Dated: May 14, 2023

*/s/ Vienna F. Anaya*

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**Schedule 1**  
**Notice of Winning Bid**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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In re:

IEH AUTO PARTS HOLDING LLC, *et al.*,<sup>4</sup>

Debtors.

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)  
) Chapter 11  
)  
) Case No. 23-90054  
)  
) (Jointly Administered)  
)

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**NOTICE OF WINNING BIDS**

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On March 10, 2023, the United States Bankruptcy Court for the Southern District of Texas entered the *Order Approving the Bid Procedures and Granting Related Relief* [Docket No. 208] (the “Bidding Procedures Order”).<sup>5</sup>

Pursuant to the Bidding Procedures Order, the Debtors file this *Notice of Winning Bids* including (i) a copy of each Winning Bid and Backup Bid, (ii) the identities of the Winning Bidders and Backup Bidders, and (iii) a list of all executory contracts and unexpired leases proposed to be assumed and assigned as part of the Sale.

The Debtors received multiple Qualified Bids and conducted an auction on May 10–11, 2023, to sell the Debtors’ assets in Lots 1–9(c). After conclusion of Lot 9(c), the Debtors announced that they would sell certain remaining assets (satellite locations and distribution centers) in Lot 9(d). The Lot 9(d) locations and distribution centers were circulated to all

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<sup>4</sup> The Debtor entities in these chapter 11 cases, along with the last four digits of each Debtor entity’s federal tax identification number, are: IEH Auto Parts Holding LLC (6529); AP Acquisition Company Clark LLC (4531); AP Acquisition Company Gordon LLC (5666); AP Acquisition Company Massachusetts LLC (7581); AP Acquisition Company Missouri LLC (7840); AP Acquisition Company New York LLC (7361); AP Acquisition Company North Carolina LLC (N/A); AP Acquisition Company Washington LLC (2773); Auto Plus Auto Sales LLC (6921); IEH AIM LLC (2233); IEH Auto Parts LLC (2066); IEH Auto Parts Puerto Rico, Inc. (4539); and IEH BA LLC (1428). The Debtors’ service address is: 112 Townpark Drive NW, Suite 300, Kennesaw, GA 30144.

<sup>5</sup> Capitalized terms used but not defined herein have the meanings given to them in the Bidding Procedures Order.

Qualified Bidders on May 12, 2023, with a deadline to submit bids of May 15, 2023. The Debtors will review received bids and file another notice of winning bidder(s) for Lot 9(d) pursuant to the Bid Procedures.

The highest and best bids for Lots 1–9(c) were presented by the following bidders (the “Winning Bidders”) and the backup bids were presented by the following backup bidders (the “Backup Bidders”):

| <b><u>Lot<sup>6</sup></u></b> | <b><u>Name of Winning Bidder</u></b>                               | <b><u>Name of Backup Bidder</u></b>        |
|-------------------------------|--|--|
| Lot 1: Southeast              | TPH Holdings, LLC  | Elliott Auto Supply Co., Inc.<br>d/b/a FMP |
| Lot 2: Mason City             | Elliott Auto Supply Co., Inc.<br>d/b/a FMP                         | XL Parts LLC and APH<br>Stores Inc.        |
| Lot 3: Florida                | National Auto Parts<br>Warehouse, LLC                              | TPH Holdings, LLC                          |
| Lot 4: Memphis                | Elliott Auto Supply Co., Inc.<br>d/b/a FMP                         | N/A  |
| Lot 5: Texas                  | Marco Holdings I, LLC and<br>Arnold Oil Company of<br>Austin, L.P. | XL Parts LLC                               |
| Lot 6: Northeast              | Fisher Auto Parts Inc. and<br>Clutch Acquisition LLC               | Elliott Auto Supply Co., Inc.<br>d/b/a FMP |
| Lot 7: Marietta               | Fisher Auto Parts Inc. and<br>Clutch Acquisition LLC               | Elliott Auto Supply Co., Inc.<br>d/b/a FMP |
| Lot 8: Mid-Atlantic           | Fisher Auto Parts Inc. and<br>Clutch Acquisition LLC               | Elliott Auto Supply Co., Inc.<br>d/b/a FMP |
| Lot 9(a): Pep Boys            | American Entertainment<br>Properties Corp.                         | Carparts.com Inc.                          |
| Lot 9(b): IP                  | American Entertainment<br>Properties Corp.                         | N/A  |
| Lot 9(c): IT                  | American Entertainment<br>Properties Corp.                         | N/A  |

The Debtors consider the auction process for the Lots 1–9(c) to be closed. However, certain of these lots remain subject to finalization of an asset purchase agreement. The Debtors

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<sup>6</sup> The assets acquired by lot are attached hereto on **Exhibit 1**.



reserve the right to nullify the auction result, name a Backup Bidder the Winning Bidder, and close a transaction with that party(ies) if a mutually acceptable asset purchase agreement is not finalized with the current Winning Bidder in a timely manner. The Debtors will file and serve an amended Notice of Winning Bids in such an instance.

The Debtors certify that they are working to provide, in coordination with the proposed assignee, the Winning Bidder's Adequate Assurance information to each affected Counterparty on a confidential basis.

Houston, Texas  
Dated: May 13, 2023

*/s/ Genevieve M. Graham*

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*Co-Counsel and Conflicts Counsel  
for the Debtors*

**Schedule 2****Backup Bid – Texas Lot**

| <b>#</b> | <b>ID</b> | <b><u>Profit<br/>Center<br/>Name</u></b> | <b><u>State</u></b> | <b><u>Landlord<br/>Name</u></b> | <b><u>Landlord Address</u></b>                      | <b><u>Debtor<br/>Tenant</u></b> | <b><u>Premises<br/>Address</u></b>                | <b><u>Cure</u></b> | <b>On Cure List</b>  |
|----------|-----------|--|---------------------|---------------------------------|---|---------------------------------|---|--------------------|----------------------|
| 1.       | 10037     | S 82nd<br>Street<br>Lubbock              | TX                  | Clarit<br>Realty                | 1500 Post Oak Trail<br>Southlake, TX 76092          | IEH Auto<br>Parts LLC           | 3319 82nd<br>Street<br>Lubbock, TX<br>79423       | \$0.00             | Initial Cure<br>List |
| 2.       | 10034     | S Avenue F<br>Lubbock                    | TX                  | Clarit<br>Realty, Ltd.          | 9040 Town Ctr. Pkwy.<br>Lakewood Ranch, FL<br>34202 | IEH Auto<br>Parts LLC           | 1803 Avenue F<br>Lubbock, TX<br>79401             | \$0.00             | Initial Cure<br>List |
| 3.       | 10041     | S Henrietta<br>St Wichita<br>Falls       | TX                  | Clarit<br>Realty, Ltd.          | 9040 Town Ctr. Pkwy.<br>Lakewood Ranch, FL<br>34202 | IEH Auto<br>Parts LLC           | 110 Henrietta<br>St<br>Wichita Falls,<br>TX 76301 | \$0.00             | Initial Cure<br>List |
| 4.       | 10697     | S Texas City                             | TX                  | Standard<br>2930 LLC            | 19572 Sandcastle Dr.<br>Spicewood, TX 78669         | IEH Auto<br>Parts LLC           | 2930 Texas<br>Ave.<br>Texas City, TX<br>77590     | \$0.00             | Initial Cure<br>List |
| 5.       | 10695     | S Broadway                               | TX                  | Standard<br>5601 LLC            | 19572 Sandcastle Dr.<br>Spicewood, TX 78669         | IEH Auto<br>Parts LLC           | 5601<br>Broadway St.<br>Galveston, TX<br>77551    | \$0.00             | Initial Cure<br>List |